DS-356 JULY 1975

DAIRY Situation

ECONOMIC RESEARCH SERVICE U.S. DEPARTMENT OF AGRICULTURE

CURRENT SITUATION CHARTS

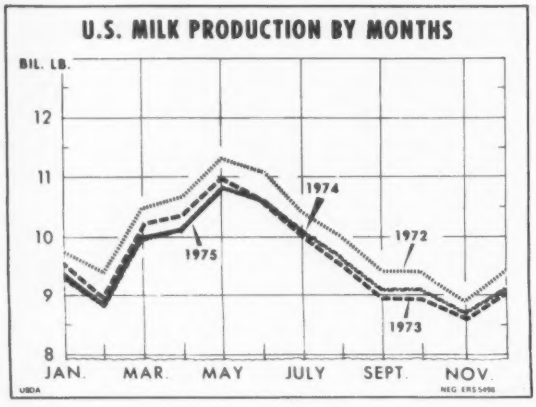
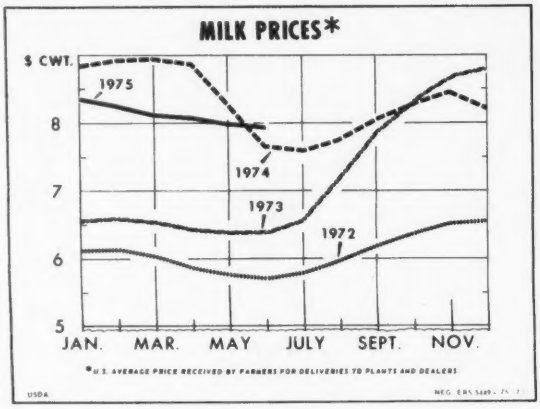


Figure 1



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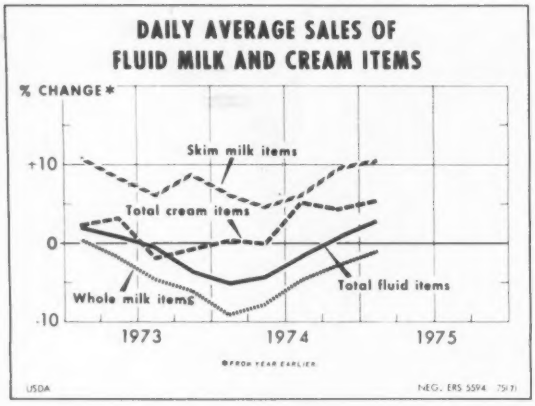

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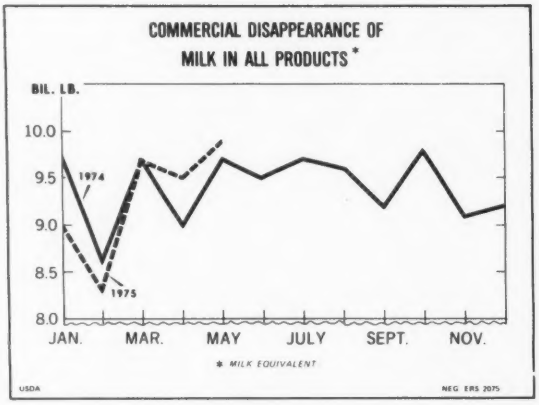

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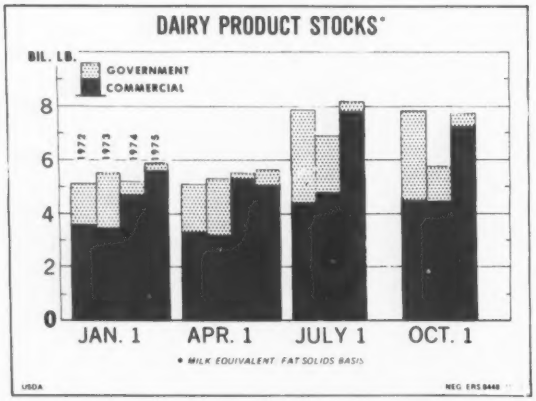

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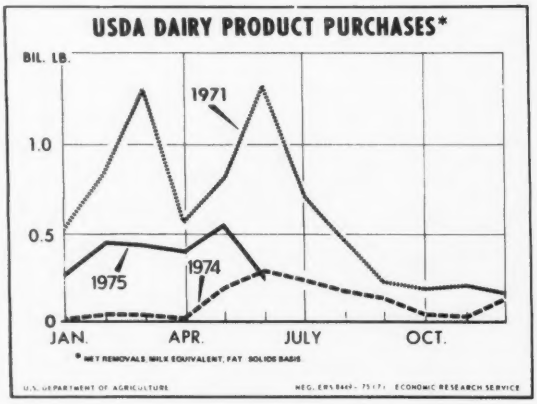

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SUMMARY

Milk production in May fell below year-earlier levels for the first time in a year. The decline in milk cow numbers from a year ago continues at less than 1 percent, the lowest year-to-year drop in about 20 years. However, milk output per cow was about the same as a year ago, reflecting reduced grain feeding and poor forage conditions in early May.

Production later this year will depend on prices for feed, milk, and cull cows as well as the general economic situation. While up from early 1975, slaughter cow prices remain relatively low and are likely to decline in coming months. Coupled with large numbers of dairy replacements and quite limited economic alternatives for dairy farmers, this means that the drop in the number of cows in the Nation's dairy herd likely will remain relatively small throughout 1975.

Feed crops got off to their best start in 4 years with both corn and soybeans planted well within the usual time frame. Good growing and harvesting conditions could lead to further easing in feed prices and the resumption of more normal feeding rates. Under these conditions, we would expect more typical gains in output per cow and strong gains in milk production later this year. On the other hand, serious weather problems could lead to continued high feed prices and forestall an increase in milk production during the second half.

For all of 1975, milk output likely will show some increase from 1974's 115.4 billion pounds—perhaps in the vicinity of 116 billion pounds. Under the most

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favorable conditions, production could go even higher. If feed prices move considerably lower this fall and winter, gains in milk production may extend into next year.

Wholesale prices of American cheese rose about 3 cents in late May, reflecting strengthening cheese sales, moderating stocks, and continued production declines. Butter prices rose in June and early July, but the nonfat dry milk market remains dominated by heavy supplies and weak demand.

The drop in farm milk prices was less than normal this spring, reaching $7.94 per 100 pounds in June, about 27 cents above a year earlier. This was the first gain from a year earlier since September 1974. Manufacturing milk prices have shown no seasonal decline since the start of 1975. Farm milk prices likely will rise seasonally during the rest of 1975 and remain above year-earlier levels.

Cash receipts from dairying were down about 5 percent from a year ago during the first half of 1975 due to lower farm milk prices. Gross dairy income likely will rise in the second half but, for all of 1975, the increase will be only about 2 percent from 1974's $9.4 billion. Production costs continue rising and dairymen will face high costs for most inputs through 1975.

Retail dairy prices have declined since the beginning of the year and the May levels were below a year earlier for the first time in a dozen years. Prices of dairy products at retail likely will show moderate seasonal increases during the rest of the year. However, the 1975 rise in retail dairy prices could well be less than the 4½-percent average annual rise of the early 1970's and well below 1974's 19-percent rise.

American cheese production is recovering from the sharp drops that occurred during early 1975. The gains in nonfat dry milk output have slackened and butter production dipped below a year ago in May and June. The current price advantage indicates that American cheese production will attract relatively more of the market supply of milk in coming months.

After being down in the first quarter, dairy sales strengthened this spring to bring the January-May total near a year earlier. Fluid milk sales have shown considerable recovery thus far this year. Butter sales have been well above 1974 levels, although the increases have slowed with the recent declines in retail margarine prices. Cheese sales have recovered after being below a year ago in the first quarter but nonfat dry milk sales remain weak.

Strengthening dairy product sales and heavy government purchases under the support program have pulled commercial dairy stocks down to more normal levels. Commercial stocks on June 1 totaled 5.1 billion pounds (milk equivalent), down more than a fourth from year-earlier levels and up just slightly from the May 1 seasonal low. Cheese stocks in commercial hands were down to workable seasonal levels relative to sales and butter stocks were near normal levels but nonfat dry milk holdings continued heavy. Government stocks in milk equivalent terms have increased with the seasonally heavy purchases and summer closing of schools but June 1 stocks were still the second smallest for that date since 1966. USDA holdings of butter and American cheese were moderate but nonfat dry milk in Commodity Credit Corporation hands built up rapidly with uncommitted inventories reaching 435 million pounds by June 28.

USDA purchases show signs of slowing after running fairly heavy early this year. With wholesale cheese and butter prices strengthening, sales of these products to CCC likely will moderate. However, nonfat dry milk purchases could well remain sizable in coming months.

Dairy imports were slightly below normal levels in the first part of 1975. Cheese imports were down slightly but may return to more normal levels due to the settlement of the export subsidies-countervailing duties dispute with the European Community. Exports of nonfat dry milk thus far in 1975 have been the largest in 3 years but exports of other dairy products remain quite small.

DAIRY SITUATION

SITUATION AND OUTLOOK

PRODUCTION

Milk Production Down In May

Milk production fell below year-earlier levels in May after being virtually unchanged in April. The May drop of 0.5 percent was the first such drop since May 1974. January-May milk output totaled 49.0 billion pounds, practically the same as a year ago.

Milk production per cow in May was only a pound above last May, the smallest gain from year-earlier levels since the decline of late 1973. Increases in output per cow this year have been held considerably below the long-run trend by generally unfavorable milk-feed price relationships which caused dairymen to cutback on grain and concentrate feeding. This was further compounded by forage problems early this spring. Pasture growth in important northern dairy areas was retarded by cold weather in April and hay was in short supply. In some areas, cows reportedly were moved on pasture before desirable growth had occurred.

The number of milk cows on farms started to drop once again in May after holding the same between March and April. Following the rises of late 1974, milk cow numbers dropped 54,000 head from January to May, about the same drop as in the like months of 1974. However, the drop from year-earlier levels remained under 1 percent, the smallest in about 20 years. Even though slightly higher slaughter cow prices may have been a factor in the April to May decline, cull cow prices remain relatively low and do not provide much incentive for culling. With high unemployment, opportunities for dairy farmers in off-farm employment or other farm enterprises have not been as favorable as in recent years and more producers have kept their milking herds than probably would be true otherwise.

Utility cow prices, Omaha

Month	1973	1974	1975
	Dollars per cwt.	*Dollars per cwt.*	*Dollars per cwt.*
January	26.67	31.45	16.82
February	31.43	32.65	18.18
March	33.90	31.76	19.45
April	33.59	30.49	21.67
May	34.26	27.67	23.55
June	33.09	26.39	23.32
July	34.22	24.22	
August	37.56	24.54	
September	34.58	22.56	
October	33.68	19.68	
November	30.71	17.62	
December	30.10	17.67	
Average	32.82	25.56	

Of the 5 major dairy States, only New York's 2-percent rise in May milk production was significantly above a year ago, although Wisconsin's and Pennsylvania's output was about the same. Minnesota continued to run considerably below last year, registering a 3-percent drop in May.

January-May milk production was up about 2 percent from year-earlier levels in the Northeast and Appalachian regions but these were the only areas to show much increase. In both regions, gains in milk output have slowed in recent months. The Lake States were down slightly during the first 5 months of 1975 and the West Coast was even. The largest drops continue to be in the Northern Plains, although the Southern Plains and Mountain regions remain considerably below a year ago.

Looking Ahead to the Rest of 1975

The milk production outlook remains unsettled. These factors may have a strong bearing on milk production during the rest of the year:

(1.) Although feed prices have stabilized at levels generally below those at the start of 1975, milk-feed price relationships have also been fairly steady in recent months. However, good feed crops could greatly improve milk-feed price relationships later on this year and dairymen may resume heavier feeding of milk cows.

(2.) Slaughter cow prices strengthened slightly in May and June but may weaken later this year when more beef cows are expected to be sold. Utility cows at Omaha were running about $23 per 100 pounds in early July after being as high as $25 during May. Slaughter supplies may be boosted this summer and fall as pasture conditions deteriorate seasonally. How much cow prices fall back will be determined by Western range conditions, the prospects for the new feed crops, and the resulting beef supplies.

(3.) There was a large supply of replacement stock on dairy farms at the beginning of 1975.

(4.) The value of dairy cows rose to an average of $413 per head in June, up $23 from the March low but $100 below last June.

(5.) While down seasonally, farm milk prices have moved above year-earlier levels and further seasonal strengthening is likely. The Minnesota-Wisconsin manufacturing milk price has risen every month so far during 1975.

(6.) General economic activity remains depressed although a slight brightening recently has been noted. The unemployment rate reached 9.2 percent in May which translates into fewer off-farm job opportunities for dairy farmers and dairy labor. Even when the economy starts to turn up, employment opportunities will probably lag behind the general recovery.

(7.) After declining in the first quarter, the index of prices paid by farmers has begun to rise again. Although dairy farmers will continue to face high prices for most inputs through 1975, the increases probably will be less rapid than a year ago.

Under these conditions, milk output may remain close to year-earlier levels in the next few months. While rising milk prices may bring some slow improvement in milk-feed price relationships, the improvement will likely not encourage much increase in grain feeding until feed crop prospects become clearer. With continued reduced concentrate feeding, milk production will remain quite sensitive to forage conditions. On the other hand, the drop in cow numbers will probably remain small. Declining slaughter cow prices will likely discourage culling. The large number of replacements and lack of viable economic alternatives for dairymen are likely to help hold up the number of cows in the Nation's dairy herd.

Milk production later this year will depend heavily on 1975 feed crop production and subsequent prices, on slaughter cow prices, on milk prices, and on economic opportunities for dairy farmers. Cull cow prices will likely remain fairly low throughout 1975. Non-dairy alternatives are not likely to be very attractive to dairymen during the rest of 1975. These factors point toward somewhat limited incentives for herd culling and the declines in milk cow numbers may well remain small during the rest of the year.

Planting conditions were generally favorable this spring and point to substantial increases in 1975 feed grain and soybean crops if growing and harvesting conditions are also good. If large crops do materialize and feed prices ease further this fall and winter, this could lead to increased feeding rates and resumption of normal gains in output per cow and, in turn, cause potentially strong increases in milk production.

On the other hand, should crop production fall short of current prospects, this would hold down feeding rates and might stimulate herd culling. These conditions could forestall an increase in milk production during the second half.

For all of 1975, milk output likely will show some increase from 1974's 115.4 billion pounds—perhaps in the vicinity of 116 billion pounds. Under the most favorable conditions, output could go even higher. Big supplies and more favorable feeding relationships likely would extend into next year.

Feed Prices Stable

Prices of principal dairy ration ingredients—corn and soybean meal—have remained fairly stable in recent months, after declining earlier this year. Corn prices at Chicago (Number 2 yellow) in early July averaged about $2.80 per bushel, about the same as in late February. Soybean meal (44 percent protein) at Decatur has been holding around $120 per ton since earlier this year. Sharp declines in domestic demand for feed was a major factor in the price decline from last fall. From now until harvest, growing conditions will dominate the market since, with small stocks, 1975 corn production will constitute almost the entire supply for the upcoming 1975/76 marketing year (beginning October 1). With continued favorable weather for 1975 feed crops, corn prices between now and harvest may soften further but any decline could be tempered by tight supplies, stronger feed demand, and some possible strengthening in foreign demand.

Wet, cool weather earlier this year gave way to good planting conditions in May. Consequently, the Nation's corn crop was virtually all planted by June 1, well within the usual planting time frame. Thus, after 3 consecutive wet springs which hampered plantings, the spring of 1975 was a good one. Soybean plantings this year have also been running well ahead of both last year and average.

While farmers planted virtually the same number of acres to corn this year, they intend to harvest 3 percent more for grain than last year. About 2 percent more acres were planted to soybeans this year. Normal weather could yield large output of both these crops.

Milk-feed price ratio[1]

Month	1973	1974	1975
	Pounds	*Pounds*	*Pounds*
January	1.59	1.53	1.25
February	1.58	1.51	1.33
March	1.52	1.49	1.38
April	1.51	1.51	1.36
May	1.40	1.45	1.36
June	1.26	1.36	1.36
July	1.35	1.29	
August	1.27	1.16	
September	1.51	1.21	
October	1.57	1.21	
November	1.62	1.22	
December	1.57	1.20	
Average	1.46	1.33	

[1] Pounds of concentrate ration equal in value to 1 pound of milk.

Dairy ration prices continued steady at mid-year. Accompanied by rather stable milk prices, this has resulted in milk-feed price relationships holding level in recent months. In June, a pound of milk was equal in

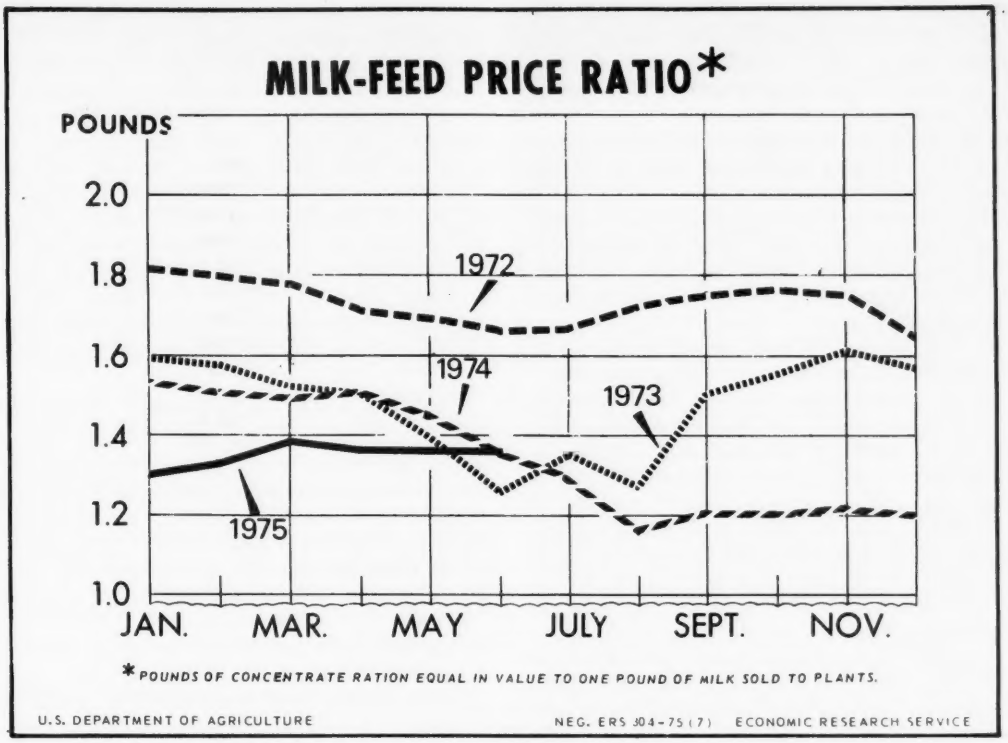

Figure 7

value to 1.36 pounds of feed, the same as a year ago (figure 7). Nationally, farmers paid $130 per ton for 16-percent protein dairy rations in June, about the same as in March but still somewhat above year-earlier levels. Current prices have dropped from the $150 per ton quoted last winter. Milk-feed price ratios may increase slightly in coming months but we could see greater improvement later on this year if there are larger grain crops along with prospective increases in milk prices.

Pastures started out this year on a poor note as April's cool weather retarded growth in many areas. However, temperatures warmed up considerably in May and pastures have improved materially, reaching good to excellent condition by early June in most areas of the country. At 86 percent of normal on June 1, pasture feed conditions were 2 points above a year ago and 3 points better than the 1964-73 average for that date.

Farmers plan to harvest hay from nearly 62 million acres this year, a slight increase over 1974 acreage. If producers stay within their acreage goals, a normal growing season could produce a crop of about 134 million tons, up 6 percent from a year earlier. Early reports indicate that hay yields were up in several important dairy areas but quality was reduced by rainy weather. Late developing pastures increased hay usage, resulting in sharply higher hay prices this spring. May 1 hay stocks at 18.6 million tons were down over a fourth from the previous year. It will take a good hay crop to replenish stocks. Farmers paid $67 per ton for baled alfalfa hay in June, up a tenth from a year ago but down $3 from the May peak. Prices were increasing this spring at a time when seasonal drops are normally occurring. Although hay prices may drop seasonally from current high levels in July and August, low stock levels and a large number of cattle being fed only roughages should keep hay prices strong. There is strong worldwide demand for hay and top quality hay from the United States is being shipped to Japan and other countries.

PRICES AND INCOME

Wholesale Cheese Prices Rise

Wholesale prices of American cheese rose about 3 cents per pound in late May. The price increase over support purchase levels came as milk production approached its seasonal peak. The price increases reflected strengthening cheese sales, moderating commercial stocks, and lower production than a year earlier. In late June, 40-pound blocks at Wisconsin assembly points were quoted at 82.4 cents per pound and barrel cheese was at 78.2 cents per pound. Supplies of Swiss cheese reportedly were somewhat limited and Grade A blocks at Wisconsin assembly

points were selling for about $1.09 per pound in late June, up 2 cents from May. Wholesale butter prices rose about 1 cent in June to 70.1 cents per pound at Chicago on July 1. A further increase of around 4 cents per pound occurred in early July.

Prices of nonfat dry milk (high heat, Central States production area) in early July ranged between 59 and 60.8 cents per pound, averaging 59.9 cents. Since early April, the lower end of the range has risen 2 cents per pound as stocks of 1974 powder were worked off. However, the upper end of the range has not changed since early January when the current support purchase price became effective.

The whey powder market continues to be dominated by heavy stocks and light demand. Edible whey powder in the Central States production area was selling for about 6½ cents per pound in late June, while dried whey for animal feed use was quoted at 5 cents per pound. Lactose prices have dropped almost a third since early this year, falling to about 22 cents per pound (Eastern Area) in late June. These drops reflected lower sugar prices and weakening lactose demand as well as production and imports well above year-earlier levels.

Wholesale ice cream prices in May were down about 1 percent from February. Lower sugar prices have helped stop the rapid rise in ice cream prices, although May prices were still about 9 percent above year-earlier levels. Evaporated milk prices in May were unchanged from March with manufacturers' selling prices averaging $12.08 per case, 1 percent above a year ago.

The wholesale price index for dairy products as reported by the Bureau of Labor Statistics (BLS) stood at 149.6 (1967=100) in May, up less than 1 percent since January. Although below a year earlier in March and April, the BLS index was almost 2 percent above a year ago in May. However, wholesale dairy prices had turned downward in May 1974.

Wholesale dairy product prices likely will rise in coming months as milk production declines seasonally. The earlier-than-normal increases in cheese prices may draw milk away from butter production and allow butter prices to follow the rises in cheese prices. The strength in fluid sales will help boost manufactured product prices, although prices will likely be quite sensitive to any milk production changes from a year earlier. Nonfat dry milk prices will likely remain weak unless users begin to rebuild their inventories.

Farm Prices Down Slightly

Farm prices of all milk showed less than average seasonal drops during the March to June period. Farmers received an average $7.94 per 100 pounds of milk in June, down only 19 cents from March compared with the $1.29 March-June drop of a year ago and a 1969-73 average of 26 cents during that period. June 1975 prices were 27 cents above a year earlier.

Manufacturing milk prices averaged $7.04 in June, up 3 cents from March and 61 cents above year-earlier

Milk prices received by farmers

Month	All sold to plants			Manufacturing grade		
	1973	1974	1975	1973	1974	1975
	Dollars per 100 pounds					
January	6.56	8.84	8.33	5.52	8.13	7.00
February	6.60	8.92	8.28	5.52	8.17	7.04
March	6.54	8.96	8.13	5.57	8.15	7.01
April	6.43	8.87	8.09	5.59	7.81	7.04
May	6.40	8.27	7.98	5.60	6.93	7.05
June	6.40	7.67	7.94	5.61	6.43	7.04
July	6.57	7.60		5.72	6.33	
August	7.19	7.69		6.29	6.47	
September	7.87	8.03		6.93	6.80	
October	8.32	8.28		7.45	7.04	
November	8.66	8.44		7.76	7.01	
December	8.80	8.22		8.00	6.73	
Average	7.14	8.31		6.20	7.15	

levels. Since the start of 1975, manufacturing milk prices have been quite stable as higher support purchase prices and the May rises in wholesale cheese prices have offset seasonally declining average fat tests. Adjusted to the annual average fat test, manufacturing milk prices in June averaged about 12 cents below the $7.24 support level but were 21 cents above the January level, when the current support price became effective.

When adjusted to 3.5 percent milkfat, the Minnesota-Wisconsin price in May-June exceeded the U.S. average manufacturing milk price by almost a dime, about the average difference during 1969-73. There was virtually no difference during the first quarter of 1975. In June, the price of milk eligible for fluid use (Grade A in most States) exceeded the price of manufacturing grade milk by an average of $1.18 per 100 pounds, 7 cents greater than the 1969-73 average differential but 47 cents below year-earlier levels.

American cheese plants paid about a nickel more for milk of equivalent fat test than did butter-powder plants in May. The rises in wholesale cheese prices and the April changes in support purchase prices were contributing factors. Cheese and butter-powder plants paid about the same during most of late 1974 and early 1975. The difference probably will not widen substantially in coming months as cheese plants start to draw a larger share of the available supplies of milk.

Minimum Class I prices in Federal Order markets will average $9.21 in August, up 81 cents from a year earlier and 26 cents greater than March 1975. These increases reflect the gradual rises since the start of 1975 in the Minnesota-Winconsin price, the mover of Class I prices in Federal Order markets.

Estimated over-order payments on Class I milk have continued the decline which began in February, as Federal Order minimum Class I prices have increased while most negotiated Class I prices have held steady or decreased. In a few markets, negotiated prices have been reduced to near the Federal Order minimums. In March, only 30 percent of the markets had an over-order payment in excess of $1.00 per 100 pounds,

compared to over 50 percent of the markets in September 1974. The average over-order payment may decline to about 50 cents for June, compared with around 70 cents in May and more than $1.00 in September of last year. With the 17-cent increase in Federal Order minimum Class I prices between June and August, over-order payments could continue declining through the summer months.

Farm milk prices will likely rise seasonally during the rest of 1975 and remain above year-earlier levels. Fairly strong fluid sales and the recent strength in the cheese and butter markets will provide upward pressure, although this pressure would be moderated if expected gains in milk production materialize.

Gross Dairy Income Down

First-half 1975 milk and cream marketings grossed farmers $4.7 billion, down from $5.0 billion a year ago. Lower farm milk prices contributed to the decline as milk marketings were nearly unchanged. However, the rate of decline slackened as the year progressed and we may well see cash receipts from dairying rising during the second half of 1975.

Although production costs eased during the first quarter of 1975, they are again on the rise. Prices paid by U.S. farmers for all production items were about a tenth higher than a year ago in January-June, with dairy ration prices up about 5 percent.

Although milk marketings by farmers may be up a little this year, milk prices for all of 1975 likely will average only slightly above 1974. Consequently, cash receipts from dairying for all of 1975 probably will total only about 2 percent above 1974's $9.4 billion. After being down from a year ago in the first half, gross dairy income should be showing gains in July-December this year. Any moderation in prices of purchased feed later this year would also help the income situation on dairy farms, although other costs will continue to rise throughout the year.

Retail Dairy Prices Dip A Little

At the retail level, prices of fluid milk and dairy products have come down some since the beginning of the year and were below a year earlier in May for the first time in a dozen years. Supplies of most dairy products were ample, with USDA removing substantial quantities of dairy products from the commercial market.

The BLS index of retail dairy prices stood at 153.6 (1967=100) in May, down 1 percent from earlier this year and about 1 percent below last May. Retail prices of all food items in May were about 8 percent above a year ago.

Although still up 15 percent from a year ago, ice cream prices have started to moderate, reflecting declines in sugar prices. Some further drops in ice cream prices are likely during the rest of the year. The sharp jump in sugar costs was primarily responsible for the 20-percent increases from a year earlier in retail ice cream prices late in 1974 and earlier this year. Fluid milk prices continued to show small drops in May—about 2 cents per half-gallon below January's level.

Retail dairy product prices

Item	Unit	May 1973	May 1974	Dec. 1974	May 1975
All dairy products	1967=100	123.2	154.6	155.3	153.6
Butter	c/lb.	85.3	94.1	96.4	95.3
Processed American cheese	c/½-lb.	58.7	75.7	73.0	74.2
Ice cream	c/½-gal.	88.6	105.2	119.3	121.5
Whole milk: At stores	c/½-gal.	62.7	80.4	79.2	77.4
Evaporated milk	c/can	21.9	28.6	30.4	30.4
Skim milk: At stores	c/qt.	32.9	42.0	42.2	41.9

Cheese prices (American process) have edged up since early this year, although they are still 2 percent less than in May 1974 (figure 8). Increases in wholesale cheese prices this May likely will be reflected at the retail level in coming months.

Retail butter prices have risen slightly so far this year—reaching 95 cents per pound in May, up about 1 percent from a year earlier. After peaking in January, margarine prices have been dropping in recent months reflecting lower wholesale soybean and other oil prices and further drops in margarine prices are likely in coming months (figure 9). Consequently, butter may lose some of the price favor it had gained relative to margarine, although it may remain more favorably priced than in recent years.

Retail dairy prices likely will show moderate seasonal increases during the rest of this year. Although ice cream prices may moderate further, some rises could occur for cheese and butter. Fluid milk prices may hold fairly stable in coming months. For all of 1975, the rise in retail dairy prices could well be less than the 4½-percent average annual rise of the early 1970's and well below the 19-percent rise in 1974.

During the first quarter of 1975, the retail cost of dairy products in the market basket of farm foods rose 3 percent from a year earlier. The farm value was down 11 percent while the farm-retail marketing margin increased 19 percent. The farmer's share of the consumer's dollar spent on dairy products dropped 7½ cents from the high levels of a year earlier to about 46 cents. The share varied from 61 cents for butter to 34 cents for ice cream. The farmer's share of the consumer's dollar had reached about 53½ cents in early 1974, as farm prices were rising at a more rapid rate than was the farm-retail margin.

Recent revisions have been made in the market basket statistics of the methods for calculating the farm value of fluid whole milk and of sugar. The change in measuring the farm value of domestically-produced sugar will affect the farm value of ice cream and will be more

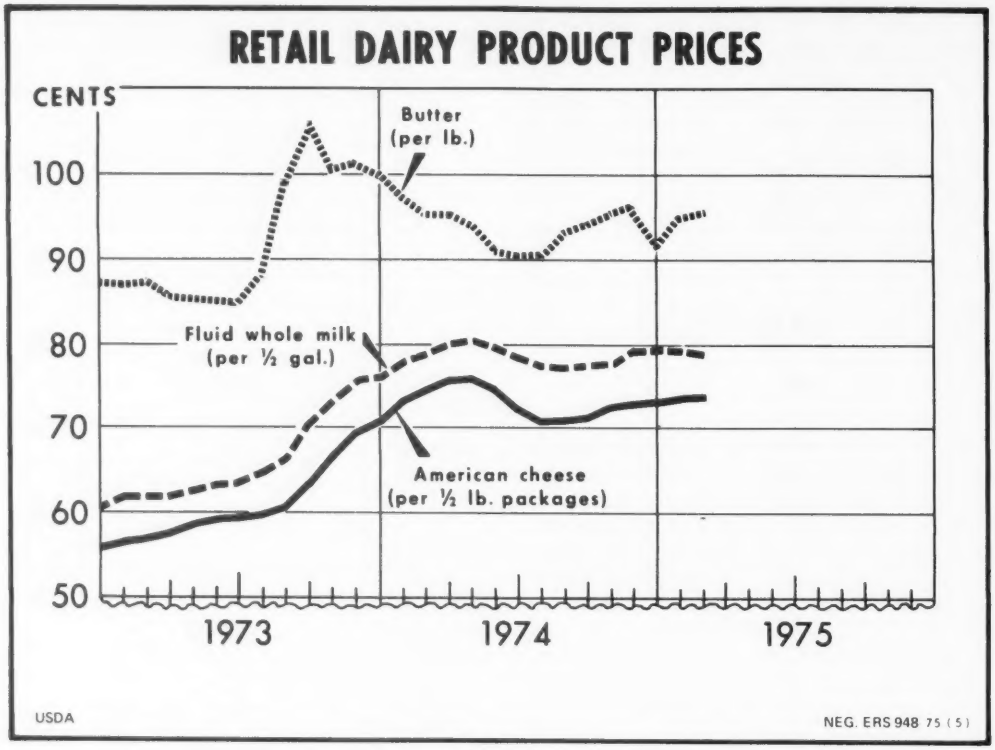

Figure 8

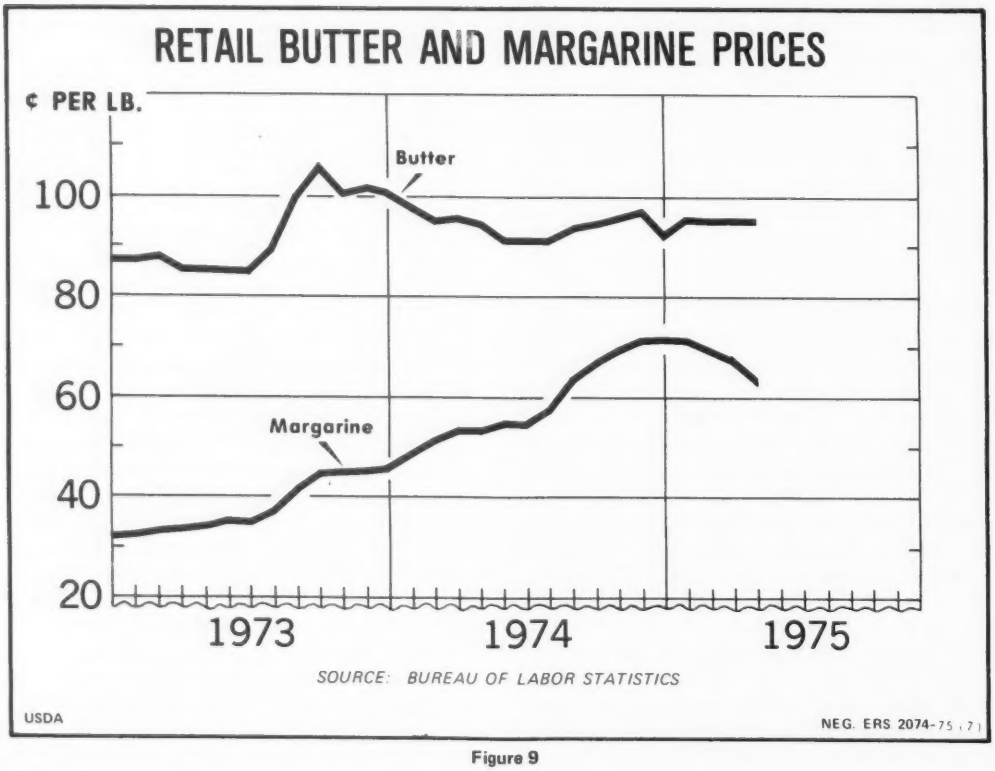

Figure 9

reflective of the rapidly changing sugar situation.[1] The farm-retail price spread series for whole milk has been revised from July 1973 to the present to reflect improved estimates of returns to farmers for fluid milk. Methodology for computing the revised series was presented and the old and new series were compared in a special article by Floyd A. Lasley entitled "Revised Farm-Retail Price Spreads for Whole Milk" which appeared in the May 1975 *Marketing and Transportation* Situation, MTS-197.[2]

UTILIZATION

Cheese Output Recovering; Butter Slackens

In recent weeks, increased quantities of milk have moved into cheese and away from butter manufacture.

American cheese production continues to move closer to year-earlier levels. Down about a fifth during January-April, American cheese output was 12 percent below in May. Weekly production estimates indicate that the June drop was about 5 percent. While production of American cheese in the first 5 months of 1975 was down about 17 percent from a year earlier, it is important to note that it was still the second highest January-May total on record and was almost 2 percent above 1973 levels.

Production of selected manufactured dairy products, 1974-75

Item	January-May		Change from year ago	
	1974	1975[1]	1974	1975[1]
	Million pounds	*Million pounds*	*Percent*	*Percent*
Butter	423.7	486.6	-8.4	+14.8
Cheese:				
American	868.8	718.2	+22.8	-17.3
Other	442.8	447.6	+3.2	+1.1
Cottage, creamed	369.8	377.9	-14.0	+2.2
Canned milk	480.1	393.5	+2.6	-18.0
Dry whole milk	36.8	22.9	-1.1	-37.8
Ice cream (Mil. gal.)	305.7	334.6	-.1	+9.5
Milk equivalent[2]	26,571	26,306	+3.4	-1.0
Nonfat dry milk	405.8	503.7	-8.5	+24.1

[1] Preliminary. [2] Total all reported manufactured products.

Production of other cheese varieties was slightly above year-earlier levels during the first 5 months of 1975. Cream and Neufchatel output was up strongly with Brick and Meunster and Italian types also posting gains. Swiss and Blue cheese production were below a year ago.

Up over a quarter earlier this year, butter production was just slightly below year-earlier levels in May, for the first time in about a year, and slipped further in June. The cessation of gains in butter output was due primarily to the drop, relative to a year ago, in the amount of milk available for manufacturing uses and the recovery in cheese output. Butter production during January-May was up about 15 percent from a year earlier and 5 percent from 2 years ago. However, it was still the third lowest on record for that period.

The gains in production of nonfat dry milk have slowed greatly. After being above year-earlier levels by a half in January, the increases have dropped every month until May's output was only 4 percent greater than last May. Although the January-May total was up almost a fourth from last year, it was the second lowest total for that period in more than 20 years.

Ice cream production was up about 9 percent from year-earlier levels during January-May, ice milk posted a small gain, but less sherbet was produced. Creamed and lowfat cottage cheese production during April and May showed small gains from last year's sharply depressed levels after staying about the same in the first quarter. Canned milk output during the first 5 months of 1975 was sharply below a year ago, continuing its long downward trend.

Wisconsin out-of-state milk shipments

Month	1974		1975	
	Loads	Volume	Loads	Volume
	Number	*Thousand pounds*	*Number*	*Thousand pounds*
January	640	30,080	252	11,844
February	212	9,964	135	6,345
March	58	2,726	138	6,486
April	18	846	54	2,538
May	2	94	54	2,538
June	15	705	49	2,303
July	34	1,598		
August	90	4,230		
September	352	16,544		
October	212	9,964		
November	457	21,479		
December	298	14,006		
Total	2,388	112,236		

Less milk moved into manufacturing during April-May than a year ago, as stronger fluid sales claimed more of the available market supply of milk. The milk equivalent of manufactured products was down about 3 percent in April-May after being almost 1 percent above a year earlier in the first quarter. Even though milk production during the first 5 months of the year was about the same as a year ago, the average solids content of milk has been higher. Production of milkfat was almost 1 percent greater during January-May than during the same period last year.

Fluid milk sales likely will continue to require more milk in coming months than a year ago. However, if expected increases in milk production do occur, more milk than last year will be available for processing uses.

[1] For more detail, see *Marketing and Transportation* Situation, MTS-196, Feb. 1975, ERS, USDA, p. 13.

[2] Reprints of this article can be obtained by writing to: Dairy Program, CED, ERS, USDA, Room 276, 500 12th Street, S.W., Washington, D.C. 20250.

The current price advantage of American cheese plants indicates that relatively more milk will probably move into cheese production, although the fairly high commercial cheese stocks may forestall any rapid expansion in cheese output.

About 61 billion pounds of milk (55 percent of market supplies) went into manufactured dairy products during 1974, up 4 percent from 1973 but still a billion pounds below 2 years ago. This is a revised estimate based on the annual survey of all manufactured dairy products by the Statistical Reporting Service (SRS). The increase in supplies available for manufacturing resulted from the sharp drop in fluid milk sales on a milk-equivalent basis.

Cheese continued to take an increased share of the milk supply available for manufacture in 1974. Production of hard cheeses required about 26 billion pounds of milk or about 42 percent of the milk used in manufacturing last year. The output of processed cheese and processed cheese foods, spreads, and cold pack increased 7 percent in 1974, after declining slightly in the previous year. Butter took 19 billion pounds of milk, up 4 percent from 1973, although butter's proportion of total manufactured milk remained at about 32 percent. Part of the increase in butter production during 1974 came from larger amounts of whey cream rather than directly from milk.

Although slightly more milk was used in frozen desserts last year, less fat came from domestic sources with the difference being made up by butteroil imported in late 1973 but carried over into 1974. Frozen desserts accounted for about 18 percent of manufactured milk in 1974, a slightly smaller proportion than in 1973. Ice cream continued to account for about two-thirds of all frozen desserts.

Soft products (mainly ice milk) about held their share of the total frozen dessert market. On the other hand, output of mellorine (frozen desserts made with fat other than milkfat) declined, continuing the trend of recent years.

Dairy Sales Strengthen

After being down in the first quarter, total dairy sales strengthened this spring, bringing the January-May total near year-earlier levels (table 1). Commercial disappearance of milk in all dairy products totaled about 46.5 billion pounds during the first 5 months of 1975, compared with 1974's 46.6 billion pounds. Fluid milk and butter sales were above a year earlier but cheese and nonfat dry milk sales were down.

Cheese sales have begun to show signs of recovery after a slow first quarter (table 2). Commercial disappearance of American cheese bounced back in April-May to show an increase from a year ago. American cheese sales during the first quarter had trailed both the 1973 levels and the sharply increased levels of 1974 which were boosted by larger imports. Sales of other varieties of cheese in January-May were down slightly from a year ago. Lower retail beef prices in early 1975 probably were part of the reason for sluggish cheese sales. Beef prices hit a 26-month low in March but have risen sharply and likely will continue upward into summer. In addition to lower beef prices earlier in the year, consumer purchasing power in 1975 has been running below year-earlier levels. Research studies show that rising consumer incomes increase cheese purchases. Even though general economic conditions may drag on sales, higher retail meat prices and only modestly rising cheese prices should help bolster cheese sales. For all of 1975, cheese sales likely will show an increase although the rise might well be below that of recent years.

Butter sales were strong during January-May although gains have slowed recently. For the first 5 months of 1975, commercial disappearance was up about a sixth from a year earlier and the highest since 1966. However, the increases in butter sales may be ebbing. After rising sharply for 2 years, retail margarine prices have declined about 8 cents a pound from the January peak while butter prices have shown small increases. Butter sales in coming months likely will remain relatively strong although the gains from a year earlier are likely to diminish.

Sales of nonfat dry milk remain at low levels. Commercial disappearance during January-May was down more than 40 percent from year-earlier levels. No signs of substantial improvement have appeared although sales in coming months likely will be approaching last year's sharply depressed levels. Cottage cheese production has begun to show small gains from a year earlier but is still far below 1973 levels. Sales of lowfat milks fortified with added nonfat solids continue to run well below a year ago as processors have shifted to nonfortified products. Use of nonfat dry milk in bakery and other prepared products probably is also down; the amount of soy proteins sold to replace nonfat dry milk in bakery uses reportedly jumped by more than a fifth last year. Users of nonfat dry milk will probably continue to purchase little more than their immediate needs as long as supplies remain heavy and government purchases stay sizable. Some increase in sales may be forthcoming later this year but current conditions point toward relatively weak demand in coming months.

Fluid Sales Strong

Fluid milk sales thus far in 1975 have been considerably above last year's sharply reduced levels. January-May sales in major urban markets were up almost 3 percent from year-earlier levels. Sales of whole milk items were down about 1 percent, with lowfat and skim items showing strong gains and cream items up modestly. Slight declines in retail milk prices from a year earlier have undoubtedly helped fluid sales as have sharply higher prices for many other beverages. Although fluid sales are still below comparable 1973 levels, the difference has been fairly small in recent months. Fluid sales likely will continue to gain from a

Table 1.--Commercial disappearance: Total milk, annual and by quarters, 1973-75 1/

Item	1973	1974					1975 2/				
		By quarters					By quarters				
		1st	2nd	3rd	4th	Annual	1st	Apr.-May	3rd	4th	Annual
	Billion pounds										
Production	115.4	28.0	31.5	29.0	26.9	115.4	28.1	20.9			
Farm use	3.4	.8	.8	.8	.8	3.3	.8	.5			
Marketings	112.0	27.2	30.7	28.1	26.0	112.1	27.3	20.4			
Beginning commercial stocks	3.5	4.7	5.3	7.8	7.2	4.7	5.6	5.0			
Imports	3.9	1.4	.4	.4	.6	2.9	.3	.2			
Total supply	119.4	33.4	36.4	36.4	33.9	119.7	33.2	25.6			
Ending commercial stocks	4.7	5.3	7.8	7.2	5.6	5.6	5.0	5.1			
Net removals	2.2	.1	.5	.5	.2	1.3	1.1	1.0			
Commercial disappearance											
Actual	112.4	27.9	28.1	28.6	28.1	112.8	27.0	19.4			
Percent change 3/	4/-.3	+3.9	-3.9	+1.2	+.3	+.3	-3.2	+4.0			

1/ Milk equivalent, fat solids basis. Totals may not add due to rounding. 2/ Preliminary. 3/ From year earlier using unrounded data. 4/ On a daily average basis.

Table 2.--Commercial disappearance: Selected dairy products, United States, annual 1965-74, by quarters, 1974-75

Year and quarter	Butter, creamery 1/	Cheese		Nonfat dry milk	Canned milk	Frozen products 3/
		American 2/	Other			
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. gal.
1965	1,095.8	1,124.4	665.2	942.1	1,841.7	1,033.4
1966	1,086.0	1,207.8	706.2	1,156.8	1,776.8	1,038.7
1967	973.9	1,175.9	738.2	1,012.2	1,571.5	1,040.2
1968	976.0	1,213.3	803.0	1,058.0	1,496.8	1,082.3
1969	921.9	1,281.0	861.6	1,042.1	1,376.1	1,092.2
1970	898.2	1,398.0	909.1	983.2	1,213.8	1,097.3
1971	847.1	1,454.8	987.0	981.8	1,186.9	1,102.4
1972	885.4	1,595.7	1,127.8	919.2	1,102.6	1,108.6
1973	855.6	1,677.1	1,210.2	1,110.1	1,056.7	1,118.6
1974	929.9	1,780.6	1,269.5	809.9	999.5	1,124.3
1974-1st	212.6	510.9	307.6	266.4	277.3	238.7
2nd	217.3	447.0	304.5	222.8	233.5	312.1
3rd	222.4	425.2	319.5	181.9	219.9	340.6
4th	277.6	397.5	338.0	138.8	268.8	232.8
1975-1st	250.7	401.3	302.8	142.6	237.4	257.2
Apr.-May	162.6	303.5	204.3	95.6	141.0	210.2
3rd						
4th						
	1974-75 percent change					
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1st	+18.0	-21.6	-1.6	-46.5	-14.4	+7.8
Apr.-May	+11.1	+4.4	-2.2	-35.1	-7.4	+6.0
3rd						
4th						

1/ Imports include butter equivalent of butteroil. 2/ Imports include Colby cheese; stocks do not include processed cheese. 3/ Excludes Mellorine.

Table 3.--Milk and dairy products sales (domestic disappearance, commercial sources) total and per capita, selected years, United States, 1965-74 1/

Year	Fluid milk product sales: Fluid whole milk	Fluid milk product sales: Cream 2/	Fluid milk product sales: Low-fat milk 3/	Fluid milk product sales: Total: Product weight	Fluid milk product sales: Total: Whole milk equivalent 4/	Butter	Cheese: Whole and part skim milk 5/: American	Cheese: Whole and part skim milk 5/: Other	Cheese: Cottage cheese 6/	Evaporated and condensed: Whole milk	Evaporated and condensed: Skimmed and buttermilk
	Million pounds										
	Total										
1965	49,750	1,430	6,390	57,570	55,400	1,122	1,106	653	901	2,092	967
1968	47,785	1,255	9,400	58,440	53,700	986	1,204	794	928	1,735	948
1969	46,850	1,185	10,640	58,675	52,800	925	1,259	849	973	1,528	989
1970	45,875	1,130	11,525	58,530	52,000	902	1,393	892	1,060	1,349	1,016
1971	45,295	1,125	12,800	59,220	51,800	878	1,452	971	1,108	1,303	1,039
1972	45,390	1,150	14,180	60,720	53,220	861	1,573	1,110	1,133	1,236	980
1973	44,130	1,160	15,390	60,680	52,400	846	1,661	1,193	1,103	1,195	894
1974 7/	41,710	1,185	16,425	59,320	50,000	911	1,770	1,260	990	1,151	730
	Per capita 8/										
	Pounds										
1965	264	7.6	34.0	306	294	5.8	5.7	3.4	4.7	10.8	5.0
1968	245	6.4	48.1	299	275	4.9	6.0	4.0	4.7	8.7	4.8
1969	237	6.0	53.9	297	267	4.6	6.3	4.2	4.8	7.6	4.9
1970	229	5.6	57.5	292	260	4.4	6.8	4.4	5.2	6.6	5.0
1971	223	5.5	63.0	292	255	4.3	7.0	4.7	5.4	6.3	5.0
1972	221	5.6	69.1	296	259	4.1	7.6	5.3	5.4	5.9	4.7
1973	213	5.6	74.3	293	253	4.0	7.9	5.7	5.3	5.7	4.3
1974 7/	200	5.7	78.6	284	239	4.3	8.4	6.0	4.7	5.4	3.5

Year	Frozen products: Ice cream	Frozen products: Ice milk	Frozen products: Sherbet	Frozen products: Other	Frozen products: Mellorine	Dry products: Whole milk	Dry products: Nonfat dry milk	Dry products: Buttermilk	Dry products: Whey	Dry products: Malted milk
	Million pounds									
	Total									
1965	3,634	1,270	295	39	255	61	931	79	113	20
1968	3,711	1,429	320	42	268	50	1,030	67	149	18
1969	3,674	1,515	333	36	267	44	1,040	61	155	18
1970	3,656	1,577	318	40	249	43	960	50	186	18
1971	3,676	1,582	317	47	232	32	958	55	204	19
1972	3,685	1,599	325	53	218	24	853	48	229	N.A.
1973	3,714	1,604	346	70	191	21	1,056	39	232	N.A.
1974 7/	3,753	1,608	325	56	169	15	826	44	255	N.A.
	Per capita 8/									
	Pounds									
1965	18.8	6.6	1.5	0.2	1.3	0.3	4.8	0.4	0.6	0.1
1968	18.6	7.2	1.6	.2	1.3	.3	5.2	.3	.7	.1
1969	18.2	7.5	1.7	.2	1.3	.2	5.2	.3	.8	.1
1970	17.9	7.7	1.6	.2	1.2	.2	4.7	.2	.9	.1
1971	17.8	7.7	1.5	.2	1.1	.2	4.6	.3	1.0	.1
1972	17.7	7.7	1.6	.3	1.0	.1	4.1	.2	1.1	N.A.
1973	17.7	7.6	1.6	.3	.9	.1	5.0	.2	1.1	N.A.
1974 7/	17.8	7.6	1.5	.3	.8	.1	3.9	.2	1.2	N.A.

1/ Excludes milk used on farms where produced and distribution from USDA supplies; includes sales to the Armed Services for use in the United States. See DS-328, November 1969, table 12 for 1950-67 data. 2/ Includes milk and cream mixtures. 3/ Includes skim milk, buttermilk, and flavored milk drinks. 4/ Fat solids basis. 5/ Excludes cottage cheese. 6/ Includes full-skim American. 7/ Preliminary. 8/ Based on resident population, except fluid milk product sales--based on estimated population using fluid products from purchased sources.

Table 4.--Sales of individual fluid products as a proportion of average daily fluid milk sales, selected Federal order markets, 1960, 1965, and 1970-74

Fluid items	1960	1965	1970	1971	1972	1973	1974
	Percent						
Whole milk 1/	87.6	83.7	74.1	72.0	69.8	67.6	65.2
Flavored whole milk	2.0	2.6	2.7	2.8	3.0	3.1	2.9
Total whole milk items	89.6	86.3	76.8	74.8	72.8	70.7	68.1
Low-fat (2%) milk	2/	2/	13.8	15.8	17.1	18.5	20.4
Plain	2/	2/	3.8	4.7	5.6	7.4	10.2
Solids added	2/	2/	10.0	11.1	11.5	11.1	10.2
Skim milk	4.6	8.6	4.3	4.3	4.8	5.4	5.7
Plain	1.8	2.8	1.1	1.2	1.2	1.5	1.9
Solids added	2.8	5.9	3.2	3.1	3.6	3.9	3.8
Buttermilk 3/	2.2	2.0	2.2	2.3	2.4	2.4	2.4
Flavored milk drinks	.6	.7	.9	.9	1.0	1.1	1.5
Total skim and low-fat milk items 4/	7.4	11.3	21.2	23.4	25.2	27.4	29.9
Milk and cream mixtures	1.7	1.3	1.0	1.0	1.0	1.0	.9
Light cream	.6	.4	.2	.2	.1	.2	.2
Heavy cream	.3	.3	.2	.2	.2	.2	.2
Sour cream	.2	.3	.3	.3	.4	.4	.5
Total cream items 4/	1.2	.9	.7	.7	.7	.8	.9
Eggnog	.1	.1	.2	.2	.2	.2	.2
Total fluid milk and cream 4/	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Includes whole milk equivalent of small quantity of concentrated milk.
2/ Included with skim milk.
3/ Includes small quantities of yogurt and cultured specialties. Yogurt was .13 percent in 1970, .21 percent in 1971, .29 percent in 1972, .33 percent in 1973, and .36 percent in 1974, of total fluid sales.
4/ Totals may not add due to rounding.

Table 5.--Domestic disappearance, commercial and non-commercial sources, all milk and selected dairy products, United States, 1969-74

Year and product	Civilian disappearance					Total military utilization	Consumption excluding USDA donations		
	Consumed on farms	USDA donations	National school lunch and special milk programs	From commercial sources	Total		Civilian	Military	Total
	Million pounds								
Total milk 1/									
1969	2,570	2/4,545	3,435	102,682	113,232	2,696	108,687	2,051	110,738
1970	2,306	2/4,187	3,462	103,218	113,173	2,419	108,986	1,788	110,774
1971	2,099	2/4,526	3,494	103,757	113,876	2,031	109,350	1,608	110,958
1972	1,940	2/3,906	3,500	106,399	115,745	1,671	111,839	1,258	113,097
1973	1,780	2/3,521	3,500	106,587	115,388	1,257	111,867	1,257	113,124
1974 3/	1,753	2/1,632	3,500	106,940	113,825	1,137	112,193	1,137	113,330
Butter									
1969	8	166	---	905	1,079	50	913	20	933
1970	6	168	---	887	1,061	45	893	15	908
1971	3	171	---	866	1,040	32	869	12	881
1972	---	159	---	858	1,017	23	858	3	861
1973	---	162	---	837	999	9	837	9	846
1974 3/	---	54	---	902	956	9	902	9	911
American cheese									
1969	---	90	---	1,249	1,339	11	1,249	10	1,259
1970	---	46	---	1,335	1,431	8	1,385	8	1,393
1971	---	75	---	1,385	1,520	7	1,445	7	1,452
1972	---	46	---	1,568	1,614	5	1,568	5	1,573
1973	---	4	---	1,657	1,661	4	1,657	4	1,661
1974 3/	---	44	---	1,767	1,811	3	1,767	3	1,770
Fluid milk and cream 1/									
1969	2,397	---	3,435	48,215	54,047	1,150	54,047	1,150	55,197
1970	2,170	---	3,462	47,624	53,256	1,050	53,256	1,050	54,306
1971	2,031	---	3,494	47,356	52,881	950	52,881	950	53,831
1972	1,940	---	3,500	48,870	54,310	850	54,310	850	55,160
1973	1,780	---	3,500	48,150	53,430	750	53,430	750	54,180
1974 3/	1,753	---	3,500	45,850	51,103	650	51,103	650	51,753
Nonfat dry milk									
1969	---	117	---	1,031	1,148	9	1,031	9	1,040
1970	---	126	---	953	1,079	7	953	7	960
1971	---	130	---	953	1,083	5	953	5	958
1972	---	107	---	848	955	5	848	5	853
1973	---	58	---	1,055	1,113	1	1,055	1	1,056
1974 3/	---	59	---	825	884	1	825	1	826

1/ Milk equivalent, fat solids basis.
2/ Includes evaporated milk, as well as butter and American cheese.
3/ Preliminary.

year ago but the rate of increase may slow somewhat in coming months when compared to last summer's recovering sales. However, milk is a relatively good buy for consumers and fluid sales may well continue strong.

Per Capita Sales of Fluid Milk Products

While 1974 was a poor year for fluid milk sales as a whole, individual milk products continued to show divergent trends. Per capita sales of whole milk dropped by almost 6 percent from 1973, the largest drop in the two decades of comparable data. The 6-percent gain in lowfat milk sales per person covered only a small part of the whole milk drop. Per capita sales of skim milk were the same as a year earlier although they were considerably above the levels of earlier years. Flavored milk sales per person were up again in 1974 but buttermilk's popularity continued to slide. Total per capita sales of beverage milk products were down more than 3 percent during 1974. The larger-than-normal drop from the previous year was primarily the result of sharply higher retail prices (tables 6-8).

Cream sales appear to have stopped their long downward trend. Per capita sales of light cream have increased during the past 2 years while heavy cream sales have held about steady. Increased interest in making ice cream at home may have been a factor but better quality control and the trend towards natural foods also may have helped stop the decline. Sour cream sales per person jumped last year, continuing their long-term growth. Last year's decreased travel and the resulting increase in at-home entertaining may have been a factor. The increased interest in gourmet cooking has probably helped both sour and regular cream sales. On the other hand, per capita sales of half-and-half resumed their downtrend in 1974.

Yogurt sales continued to show strong growth in 1974, although the large jumps of recent years, precipitated by the introduction and promotion of flavored yogurts, may be slowing. While still a very minor product on a national basis, yogurt is an important product in some areas, especially in the Northeast and West Coast. Last year's consumption of 1.6 pounds per person was almost double the level of 5 years ago but the 1974 gain was the smallest rise from a year earlier since 1970. The long-run picture for yogurt sales remains good, even though the increases may be slowing. Yogurt has the image of a healthful, "natural" food and appears to be taking root in areas that have not consumed much yogurt in the past. Per capita sales of eggnog, an extremely seasonal product, have shown considerable growth over the years and the 1974 level was 1.5 times that of 5 years ago (figure 10).

Commercial Stocks More Normal

Strengthening sales of dairy products and sizable government purchases have pulled commercial dairy

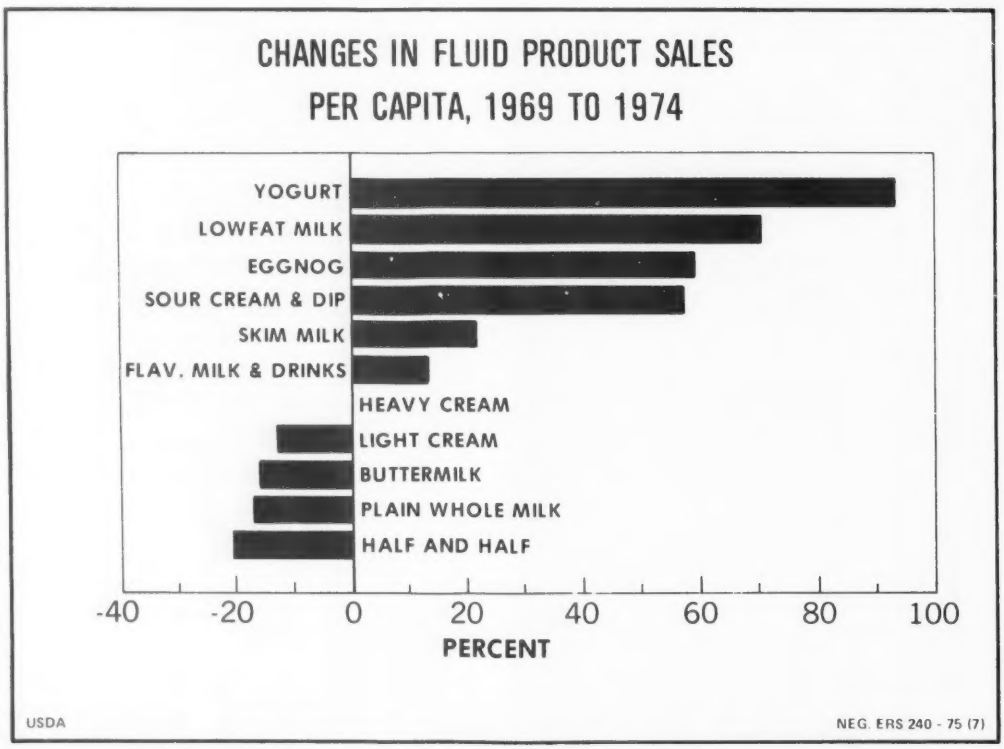

Figure 10

Table 6.--Sales of individual beverage milk products, United States, 1954-1974

Year	Plain whole milk	Low-fat milk	Skim milk	Filled and imitation milk	Flavored milk and drinks	Buttermilk	Total
				1,000 pounds			
1954	38,604,960	34,240	961,460	0	1,070,850	1,218,300	41,889,810
1955	39,915,940	50,030	1,046,750	0	1,146,650	1,236,580	43,395,950
1956	41,277,190	66,510	1,182,590	0	1,188,750	1,195,880	44,910,920
1957	42,217,840	80,540	1,351,600	0	1,162,660	1,184,010	45,996,650
1958	42,382,790	192,410	1,491,710	0	1,180,050	1,159,810	46,344,770
1959	42,548,300	284,540	1,648,330	0	1,189,280	1,151,930	46,822,380
1960	42,999,350	389,180	1,830,140	0	1,200,250	1,139,730	47,558,650
1961	42,606,330	600,960	1,977,610	0	1,278,160	1,092,480	47,555,540
1962	43,039,510	840,020	2,078,490	0	1,343,060	1,159,920	48,461,000
1963	43,749,260	1,170,690	2,227,840	0	1,489,730	1,171,890	49,809,410
1964	44,205,430	1,605,890	2,336,180	0	1,570,800	1,166,260	50,884,560
1965	44,512,450	2,056,550	2,368,030	0	1,646,860	1,155,750	51,739,640
1966	44,671,870	2,769,740	2,097,370	3,100	1,720,380	1,155,030	52,417,490
1967	43,218,510	3,550,750	2,077,110	45,600	1,662,250	1,139,350	51,693,570
1968	42,705,970	4,427,400	2,207,370	163,610	1,757,620	1,142,030	52,404,000
1969	41,934,850	5,396,130	2,320,250	153,620	1,748,690	1,146,670	52,700,210
1970	41,511,710	6,162,570	2,378,400	122,490	1,762,900	1,134,950	53,073,020
1971	40,595,920	7,287,010	2,345,370	108,580	1,870,720	1,149,350	53,356,950
1972	40,252,266	8,277,310	2,608,977	96,610	2,001,614	1,156,468	54,393,245
1973	38,849,170	9,189,215	2,949,038	81,339	2,044,324	1,075,229	54,188,315
1974 1/	36,908,055	9,778,193	2,970,078	74,503	2,083,346	1,015,804	52,829,979

1/ Preliminary.

Table 7.--Sales of individual cream and specialty products, United States, 1954-74

Year	Half-and-half	Light cream	Heavy cream	Sour cream and dips	Imitation sour cream	Yogurt	Eggnog	Total
				1,000 pounds				
1954	559,400	372,880	209,530	96,980		14,960	32,170	1,285,920
1955	604,820	351,750	205,860	100,520	0	16,850	36,250	1,316,050
1956	652,330	335,470	207,180	105,980	0	18,760	36,200	1,355,920
1957	687,560	304,070	202,100	113,490	0	21,160	38,080	1,366,460
1958	722,050	283,770	193,730	123,730	0	25,630	42,790	1,391,700
1959	748,800	264,130	183,740	136,810	0	38,330	45,850	1,417,600
1960	795,500	250,070	177,940	154,440	0	44,130	45,840	1,467,920
1961	805,960	231,360	169,190	163,310	0	48,580	46,080	1,464,480
1962	785,090	220,110	173,700	175,330	0	45,520	49,610	1,449,360
1963	773,140	192,740	167,720	184,280	0	50,240	49,420	1,417,540
1964	759,870	175,020	162,190	172,480	0	53,020	47,140	1,369,720
1965	749,180	162,420	157,210	178,750	0	60,640	48,770	1,356,970
1966	732,230	143,770	148,420	186,100	30	70,030	52,290	1,332,870
1967	687,040	125,000	138,620	182,520	730	90,230	50,440	1,274,580
1968	661,880	101,930	127,200	186,900	1,640	123,520	57,750	1,260,820
1969	632,170	90,500	113,450	189,830	1,680	168,960	56,920	1,253,510
1970	593,420	75,980	112,310	222,600	1,750	171,570	61,330	1,238,960
1971	560,910	66,610	112,490	251,320	1,910	236,290	82,640	1,312,170
1972	552,962	57,208	116,925	268,269	1,660	284,036	96,326	1,377,386
1973	559,614	80,470	121,576	276,126	N.A.	317,934	92,018	1,447,738
1974 1/	528,760	84,107	118,559	315,840	N.A.	343,225	95,443	1,485,934

1/ Preliminary.

Table 8.--Per capita sales of selected fluid milk items, 1954-74

Year	Plain whole milk	Lowfat milk	Skim milk	Flavored milk and drinks	Butter-milk	Yogurt	Eggnog	Half-and-half	Light cream	Heavy cream	Sour cream and dips
					Pounds						
1954	262.44	0.23	6.54	7.28	8.28	0.10	0.22	3.80	2.53	1.42	0.66
1955	264.69	.33	6.94	7.60	8.20	.11	.24	4.01	2.33	1.37	.67
1956	267.17	.43	7.65	7.69	7.74	.12	.23	4.22	2.17	1.34	.69
1957	266.02	.51	8.52	7.33	7.46	.13	.24	4.33	1.92	1.27	.72
1958	260.66	1.18	9.17	7.26	7.13	.16	.26	4.44	1.75	1.19	.76
1959	255.24	1.71	9.89	7.13	6.91	.23	.28	4.49	1.58	1.10	.82
1960	250.87	2.27	10.68	7.00	6.65	.26	.27	4.64	1.46	1.04	.90
1961	243.19	3.43	11.29	7.30	6.24	.28	.26	4.60	1.32	.97	.93
1962	240.85	4.70	11.63	7.52	6.49	.25	.28	4.39	1.23	.97	.98
1963	240.38	6.43	12.24	8.19	6.44	.28	.27	4.25	1.06	.92	1.01
1964	238.56	8.67	12.61	8.48	6.29	.29	.25	4.10	.94	.88	.93
1965	236.52	10.93	12.58	8.75	6.14	.32	.26	3.98	.86	.84	.95
1966	234.13	14.52	10.99	9.02	6.05	.37	.27	3.84	.75	.78	.98
1967	223.70	18.38	10.75	8.60	5.90	.47	.26	3.56	.65	.72	.94
1968	218.56	22.66	11.30	8.99	5.84	.63	.30	3.39	.52	.65	.96
1969	212.11	27.29	11.74	8.85	5.80	.85	.29	3.20	.46	.57	.96
1970	207.14	30.75	11.87	8.80	5.66	.86	.31	2.96	.38	.56	1.11
1971	199.88	35.88	11.55	9.21	5.66	1.16	.41	2.76	.33	.55	1.24
1972	196.07	40.32	12.71	9.75	5.63	1.38	.47	2.69	.28	.57	1.31
1973	187.50	44.35	14.23	9.87	5.19	1.53	.44	2.70	.39	.59	1.33
1974 1/	176.68	46.81	14.22	9.97	4.86	1.64	.46	2.53	.40	.57	1.51

1/ Preliminary.

stocks down to more normal levels, although government holdings are rising due to increased USDA dairy purchases.

On June 1, commercial stocks of manufactured dairy products totaled 5.1 billion pounds milk equivalent, down from 7.2 billion pounds a year ago. Dairy stocks are now rising seasonally from the May 1 seasonal low, which was a month later than the usual seasonal trough. June 1 stocks, while the second highest for that date since 1967, were still below levels at the beginning of the year.

Total dairy stocks on June 1 were equivalent to 6.2 billion pounds of milk, down sharply from a year ago. Government stocks came to about 1.1 billion pounds milk equivalent on June 1, up from 0.2 billion pounds last year but still the second lowest since 1966.

Commercial American cheese stocks totaled 379 million pounds on June 1, 17 percent below last June. While still the second largest on record for that date, cheese stocks are now considered to be at workable seasonal levels relative to sales. American cheese stocks have held fairly stable since March, at a time when they are normally rising seasonally. Rising sales and production lower than a year earlier have caused this leveling in stocks. June 1 holdings of other-than-American cheeses were well below the record highs of a year earlier.

Commercial butter holdings stood at 36 million pounds on June 1, down sharply from the unusually high 88 million pounds a year earlier but near the levels of prior years. Commerical butter stocks have held fairly level this year because of strong sales and heavy CCC purchases. Government butter stocks have risen throughout the first 5 months of the year and were up to 49 million pounds on June 1, reflecting larger USDA purchases. While these stocks were much higher than a year ago, they were only a half of the 1973 level. Total butter stocks of 85 million pounds were down 13 percent from June 1, 1974, and the lowest on that date since 1966.

Manufacturers' stocks of nonfat dry milk on June 1 were 116 million pounds, down from 148 million pounds a year ago. Although near the levels of prior years, nonfat stocks remain heavy relative to the current weak sales. Government stocks of nonfat dry milk have been building rapidly, reaching 264 million pounds on June 1, the largest for that date since 1963. Total stocks at 380 million pounds were 2½ times as large as a year earlier and the largest since 1963.

Total stocks of dairy products in coming months will remain below the record-high levels of a year earlier and should begin dropping seasonally after July or August. Commercial stocks will remain below last year's levels, while USDA stocks likely will stay well above the record-low levels of a year ago and may be increasing, at least until schools reopen this fall.

Government Purchases Slowing

USDA removals of butter and cheese under the price support program show signs of slowing following heavy purchases in early 1975. Net removals in January-June totaled about 2.4 billion pounds milk equivalent, up from 0.6 billion pounds a year earlier. Purchases a year ago were beginning to increase rapidly, whereas purchase activity is now slowing from the rate of previous months.

Butter purchases totaled 30 million pounds in May and June, an increase of 9 million pounds over removals during the same two months of 1974. Purchases for the first half of the year totaled 82 million pounds compared with 25 million a year earlier.

USDA dairy purchases[1]

Item	January-June		
	1974	1975	Change
	Million pounds	*Million pounds*	*Percent*
Butter	25	82	+228.0
American cheese	4	63	+1,475.0
Nonfat dry milk	50	369	+638.0
Evaporated milk	16	13	-18.8
Milk equivalent	590	2,348	+298.0

[1] Delivery basis.

American cheese purchases were fairly large during the first half of this year. During January-June, net removals totaled 63 million pounds, compared with 4 million pounds during the corresponding months of a year earlier.

Sales of nonfat dry milk to the government continue heavy. Through June, CCC had purchased about 369 million pounds thus far in 1975, compared with only 50 million pounds during the same period last year. Current expectations of continued weakness in commercial sales indicate that CCC purchases probably will stay heavy.

Uncommitted inventories of butter and cheese remain relatively modest even with the heavier purchasing activity earlier in the year. By June 28, CCC had uncommitted holdings of 61 million pounds of butter and 18 million pounds of American cheese, both higher than last year's relatively low levels. Uncommitted inventories of nonfat dry milk have continued to build because of heavy purchases, reduced domestic donation outlets, and only moderate foreign donations. These holdings totaled 435 million pounds by June 28.

Uncommitted CCC stocks

Item	June 28	
	1974	1975
	Million pounds	*Million pounds*
Butter	19.3	61.2
American cheese	1.8	18.2
Nonfat dry milk	44.6	435.4

FOREIGN TRADE AND DAIRY TRENDS

Dairy Imports Steady

U.S. imports of dairy products during January-May totaled 0.5 billion pounds milk equivalent, down sharply from last year's 1.8 billion pounds and slightly below the levels of earlier years (table 9). Imports have been running at near normal levels since the spring of 1974 (table 10).

Cheese imports during January-May have also been slightly below normal levels. In large part, this can be attributed to the uncertainty resulting from the resumption of EC export subsidies and the threat of U.S. imposition of countervailing duties. Although the final determination was announced in late April, there was some lag before the trade adjusted to the settlement. Manufactured dairy products, other than cheese, which are subject to quotas have been imported in slightly less-than-normal amounts during the first 5 months of 1975.

Lactose imports continued to run far above year-earlier levels this spring, encouraged by higher sugar and lactose prices. On the other hand, casein imports were down sharply from a year ago during January-May. The generally heavy supplies and weak demand for dry milk products were likely factors.

On May 20, the U.S. Treasury Department made a preliminary determination that subsidies on Austrian cheese constitute a bounty or grant within the meaning of the countervailing duty statute, Section 303 of the Tariff Act of 1930, as amended by the Trade Act of 1974. Information indicates that the bounty or grant ranges from 20 to 33 cents on certain hard cheeses, including Swiss which accounted for 95 percent of the 17.2 million pounds of Austrian cheese shipped to the U.S. last year. A final determination will be issued after the required period for public comment and review of any additional evidence.

In a related action, the Treasury Department issued a preliminary determination on July 2 that the Swiss system of deficiency payments to producers of Emmenthaler and Gruyere cheese constituted "bounties or grants" and that the conditions of the Trade Act for temporary waiver of countervailing duties appeared to exist. The ruling is open for public comment until August 2.

Nonfat Dry Milk Exports Up

Exports of nonfat dry milk under government programs have risen this year, reflecting the increased USDA purchases and stocks. Exports during January-May totaled 98 million pounds, up from only 3 million pounds a year ago. Most of the increase was a result of exports under the Food for Peace Program. Nonfat dry milk exports this year already exceed the annual totals of both 1973 and 1974. With the heavier government supplies, substantial amounts are available for programming for donation to foreign countries later this year. Exports will likely remain sizable in coming months but are not likely to reach the 400-million-pound average levels of the early 1970's.

January-May dairy product exports

Product	1974	1975	Change
	Million pounds	*Million pounds*	*Percent*
Butter[1]	0.8	0.5	-37.5
Cheese	3.4	3.6	+5.9
Evaporated milk	17.1	20.5	+19.9
Condensed milk	.5	1.1	+120.0
Dry whole milk	18.2	14.3	-21.4
Nonfat dry milk	2.9	98.3	+3,289.7
Milk equivalent[2]	246.5	239.2	-3.0

[1] Includes butter equivalent of butteroil and anhydrous milkfat. [2] Includes some products not shown separately.

In late May, nonfat dry milk was added to the list of commodities eligible for export financing on a limited basis under the CCC Export Credit Sales Program. However, since U.S. market prices are well above export prices of competing countries, little is expected to be exported under this program.

Exports of other dairy products remain small. The equivalent of only 0.2 billion pounds of milk was exported during January-May, about the same as during the like months of 1974. Exports of canned milk, other-than-American cheese, and infant and dietetic foods were running above year-earlier levels, while butter and American cheese exports trailed a year ago. Commercial dairy exports of these dairy products are likely to remain low.

Shipments of dairy products to U.S. territories totaled more than 0.1 billion pounds milk equivalent during January-April, down somewhat from a year ago. Most of these shipments were cheese, although canned and dry whole milk were also important components.

World Dairy Summary

Milk production this spring showed small increases from a year ago in most European countries. Among the European Community (EC) members, only the United Kingdom was expected to post declines, with the Netherlands and Ireland having substantial increases, and other EC countries showing small gains. In other parts of Western Europe, Finland and Switzerland were down but Spain and Norway were above year-earlier levels. New Zealand milk production was up sharply but it is during our spring that most of the New Zealand herd is being dried up and production drops very rapidly.

Cheese production was above a year earlier in most of the important dairy countries, with the exceptions of Austria, Switzerland, and Italy. However, weakening demand has resulted in substantially increased cheese stocks in almost all countries. Cheese stocks in the EC

Table 9.--Dairy Products: U.S. imports, quota and non-quota, total 1974, and January-May 1974-75 1/

Product	Calendar year quota	1974 imports	May			Cumulative, January-May		
			1974	1975	1975 as a % of 1974	1974	1975	1975 as a % of 1974
	Thou. lb.	Thou. lb.	Thou. lb.	Thou. lb.	Pct.	Thou. lb.	Thou. lb.	Pct.
Cheese, quota types								
American-Cheddar	10,037.5	107,017	3,516	9	3	99,248	1,888	2
-Other	6,096.6	5,101	---	7	---	784	53	7
Italian-Original loaves	11,500.1	8,982	520	889	171	4,929	2,414	49
-Other	1,494.0	1,185	246	123	50	612	368	60
Edam and Gouda-Natural	9,200.4	(9,371)	(581)	(600)	(103)	(2,758)	(3,019)	(109)
-Processed	3,151.0	(9,371)	(581)	(600)	(103)	(2,758)	(3,019)	(109)
Blue Mold	5,017.0	5,015	519	275	53	1,873	1,294	69
Swiss-Emmenthaler, -86¢	20,420.0	12,565	3,767	949	25	5,286	3,481	66
-Gruyere-process, -86¢	11,242.0	6,191	679	143	21	2,892	1,241	43
Other-Over 0.5% fat, -86¢	40,730.0	34,452	3,035	790	26	10,616	3,213	30
-Under 0.5% fat	8,901.0	7,860	292	367	126	3,406	1,045	31
Total	127,789.6	197,739	13,155	4,152	32	132,404	18,016	14
Cheese, non-quota types								
Swiss-Emmenthaler, 86¢ +		51,297	1,574	1,937	123	23,899	11,878	50
-Gruyere-process, 86¢ +		9,113	348	137	39	2,969	1,665	56
Other, 86¢ +		37,698	1,468	1,641	112	17,258	10,100	59
Pecorino		16,465	784	966	123	6,940	8,304	120
Roquefort		1,439	61	66	108	833	501	60
Other 2/		1,908	52	119	229	494	348	70
Total		117,920	4,287	4,866	114	52,393	32,796	63
Other quota products								
Butter	707.0	450	6	47	783	85	149	175
Butteroil	1,200.0	1,200	---	---	---	1,200	1,200	100
Butterfat mixtures	2,580.0	---	---	1	---	---	2	---
Ice cream	3,377.3	---	---	---	---	---	---	---
Frozen cream	12,540.0	12,406	151	---	---	3,561	4,166	117
Nonfat dry milk	1,807.0	115,065	7,316	1	---	101,703	1,053	1
Dried buttermilk	496.0	137	---	---	---	137	428	312
Evaporated milk	1,312.0	1,214	---	4	---	1,209	418	35
Condensed milk	4,079.0	1,393	324	32	10	885	243	27
Chocolate crumb-Regular	17,000.0	4,748	619	---	---	1,457	---	---
-Lowfat	4,680.0	---	---	---	---	---	---	---
Animal feed with milk solids	16,300.0	9,009	181	1,073	593	4,707	2,839	60
Non-quota products								
Casein		113,328	9,698	2,498	26	58,978	16,395	28
Lactose		1,310	30	224	747	535	4,808	899
Milk equivalent, fat solids basis, total all products	1,305,620	2,931,969	151,643	71,887	47	1,751,218	499,207	29

1/ Preliminary. 2/ Gjetost, Bryndza, Cammelost and Noekkelost, and Goya.

Table 10.--Dairy products: U.S. imports, 1965-74

Product	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974 1/	1975
						Thousand pounds					
Cheese											
American-Cheddar	1,858	4,178	4,967	9,841	9,606	9,720	9,324	9,516	21,010	107,017	
-Other	14,149	45,991	55,230	5,860	6,034	5,969	7,624	5,957	8,430	5,101	
Total American	16,007	50,169	60,197	15,701	15,640	15,689	16,948	15,473	29,440	112,118	
Italian-Original loaves	7,691	7,776	8,412	8,389	10,547	6,617	6,458	10,802	10,524	8,982	
-Other	97	450	1,494	1,853	1,742	674	852	1,350	1,517	1,185	
Total Italian	7,788	8,226	9,906	10,242	12,289	7,291	7,310	12,152	12,041	10,167	
Edam and Gouda-Natural	N.A.	N.A.	N.A.	8,626	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
-Processed	N.A.	N.A.	N.A.	12,760	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
Total Edam and Gouda	7,566	10,899	11,615	21,386	11,457	11,799	10,127	10,146	11,596	9,371	
Blue mold	4,400	5,177	4,787	4,822	4,878	4,766	4,485	4,434	5,994	5,015	
Swiss-Emmenthaler, 47¢ + 2/	6,293	7,656	7,450	7,990	16,322	22,762	21,809	30,366	24,725	51,297	
-Emmenthaler, -47¢ 2/	4,126	7,095	6,905	30,861	3,786	3,592	2,508	3,206	24,875	12,565	
-Gruyere-process, 47¢ + 2/	3,554	4,118	3,558	5,724	9,401	10,800	8,937	9,882	5,703	9,113	
-Gruyere-process, -47¢ 2/	1,760	5,005	6,277	14,253	3,248	3,149	2,662	2,904	9,936	6,191	
Total Swiss	15,733	23,874	24,190	58,828	32,757	40,303	35,916	46,358	65,239	79,166	
Other, 47¢ + 2/	3,715	4,596	5,377	7,820	12,701	22,631	18,812	31,820	21,241	37,698	
Other, -47¢ 2/	5,490	13,472	17,618	31,291	23,541	23,371	14,849	23,680	52,477	34,452	
Other, low-fat	---	---	---	268	8,932	10,752	7,025	8,397	11,965	7,860	
Total Other	9,205	18,068	22,995	39,379	45,174	56,754	40,686	63,897	85,683	80,010	
Pecorino	15,901	15,761	15,750	17,352	19,227	20,621	16,566	22,976	17,215	16,465	
Roquefort	2,191	1,820	1,808	1,948	2,061	2,063	1,671	2,543	2,126	1,439	
Gjetost	253	257	254	330	321	413	397	438	454	473	
Bryndza	89	86	82	101	127	156	257	322	309	679	
Cammelost and Noekkelost	178	1,099	195	335	182	256	473	748	698	715	
Goya	---	---	---	---	---	761	1,039	3	6	41	
Other products											
Butter	748	667	677	739	678	3/747	628	714	55,574	450	
Butteroil	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	23,800	1,200	
Butterfat mixtures	3,440	105,626	100,548	1,882	4/2,741	2,398	2,572	2,430	2,565	---	
Frozen cream	12,597	14,957	11,915	12,607	14,748	11,062	11,235	12,600	12,540	12,406	
Evaporated milk	31	611	1,311	4,908	1,313	1,236	1,299	94	1,209	1,214	
Condensed milk	1,768	2,678	4,079	4,854	4,058	1,506	1,670	2,345	1,419	1,393	
Chocolate crumb-Regular	2,000	6,500	21,544	45,337	18,603	15,260	12,803	9,652	5,624	4,748	
-Lowfat	---	---	---	---	478	15,944	4,185	3,171	176	---	
Total chocolate crumb	2,000	6,500	21,544	45,337	19,081	31,204	16,988	12,823	5,800	4,748	
Ice cream	---	---	---	---	20,263	62,689	2,549	1,375	---	---	
Dried products											
Whole milk	---	7	3	7	7	3	10	---	---	17	
Malted milk	9	1	1	1	---	1	2	6	13	10	
Buttermilk	78	401	158	536	174	421	355	594	270	137	
Skim milk	1,378	2,835	924	1,747	1,914	1,759	2,136	1,602	266,564	115,065	
Casein	86,953	107,906	99,670	116,100	116,107	135,288	105,939	105,401	112,828	113,328	
Lactose	---	---	596	374	4,187	4,222	1,652	1,540	1,356	1,310	
Animal feed 5/	---	---	---	---	9,965	27,297	11,812	10,356	15,793	9,009	
						Million pounds					
Milk equivalent, fat solids basis, total all products	923	2,791	2,908	1,780	1,621	1,878	1,356	1,694	3,859	2,932	

1/ Preliminary. 2/ Pricebreak changed to 62 cents on June 3, 1972, to 69 cents on March 15, 1973, to 72 cents on August 29, 1973, and to 78 cents on April 1, 1974. 3/ Includes 40,400 pounds not subject to quota. 4/ Excludes 1.7 million pounds in retail packages reported by the Bureau of Customs. 5/ Containing milk products.

in early May were expected to be up by over a fifth from a year ago. Stocks were up sharply in New Zealand but were about the same in Australia. The heavier stocks and sluggish sales will likely slow cheese production in coming months.

EC butter production showed small gains this spring everywhere but in the United Kingdom. Elsewhere in Western Europe, butter production was generally down. Canadian output was up and New Zealand's production, while seasonally very small, was sharply above a year earlier. Total EC butter stocks were somewhat below last year in May; however, more butter was in commercial hands as intervention stocks were only about half their 1974 levels. Stocks of butter in other West European countries were mixed but Canadian stocks were much higher. Australian and New Zealand butter holdings were substantially above year-earlier levels.

Nonfat dry milk production this spring was up everywhere but Finland, Sweden, and Switzerland. Higher production and sharp declines in world trade have resulted in very heavy stocks in major producing countries. New Zealand stocks were 4 times the 1974 level and the buildup in the EC was almost as great. Canadian stocks more than doubled. As a result, world prices of nonfat dry milk likely will remain depressed for some time.

USSR Milk Production Prospects

Milk output in the USSR may be up only slightly this year. In the first half of 1975, prospects were not encouraging. Yields were down in the latter half of 1974, apparently because of poorer feed supplies, and this has carried over into 1975.

Russia is the world's largest milk producing country. Output continued to increase in 1974 reaching 202 billion pounds, up 4 percent from 1973 and 60 percent above levels of the early 1960's. Cow numbers rose 1 percent in 1974 and yields were up in January-June last year.

Advances in Soviet milk output the past 2 years have enabled a substantial increase in butter manufacture, lessening the tight situation that occurred in early 1973. Higher output capped by imports of around 500 million pounds (mostly from the EC) enabled 1973 butter supplies to increase more than a third from the previous year. Sizable butter stocks likely were accumulated in 1973. Imports apparently returned to more normal levels last year. Butter output declined in the last half of 1974 but stocks now provide a cushion against output variations. Butter production may drop a little in 1975 to around 2.6 billion pounds.

Although butter still absorbs a third of Russia's milk output, other dairy products have increased materially in recent years. Cheese production is expected to reach around 1.3 billion pounds this year, up more than a fourth since the early 1970's. Dry milk output is also up and larger quantities of fluid milk are being marketed. However, fluid products still represent only a tenth of total milk production.

Per capita consumption of all dairy products (milk equivalent) reached a new record of 688 pounds in 1974, compared with 543 pounds in the United States. Milk consumption has been expanding in the USSR although falling short of the originally planned increase. Butter consumption last year was estimated at about 12 pounds per person with cheese use reaching 5.5 pounds per capita.

Table 11.--U.S. Dairy Situation at a Glance

Item	Unit or base period	1973	1974					1975		
		May	March	April	May	June	Year	March	April	May
Production and cow numbers:										
Total milk	Mil. lb.	10,952	9,988	10,122	10,841	10,563	115,416	10,023	10,121	10,789
Milk per cow	Lb.	957	889	901	967	943	10,286	897	906	968
Number of milk cows	Thou.	11,439	11,241	11,229	11,216	11,206	11,221	11,176	11,176	11,150
Prices received by farmers:										
All milk, sold to plants, 100 pounds	Dol.	6.40	8.96	8.87	8.27	7.67	8.31	8.13	8.09	7.98
Percentage of parity 1/	Pct.	77	92	91	87	81	81	75	75	76
Manufacturing grade milk, 100 pounds	Dol.	5.60	8.15	7.81	6.93	6.43	7.15	7.01	7.04	7.05
Parity equivalent	Dol.	7.24	8.12	8.30	8.38	8.38	8.52	9.14	9.31	9.39
Fat content	Pct.	3.58	3.65	3.62	3.58	3.54	3.66	3.68	3.65	3.61
Minnesota-Wisconsin (3.5% fat), 100 pounds	Dol.	5.66	8.15	7.73	6.93	6.31	7.06	6.86	6.94	7.02
Milk eligible for fluid market, 100 pounds	Dol.	6.67	9.20	9.19	8.69	8.08	8.65	8.46	8.39	8.26
Price ratios and dairy ration values:										
Milk-feed	Lb.	1.40	1.49	1.51	1.45	1.36	1.33	1.38	1.36	1.36
Manufacturing grade milk-hog	Lb.	.16	.23	.25	.26	.27	.21	.18	.18	.16
Manufacturing grade milk-beef cattle	Lb.	.13	.20	.20	.19	.20	.20	.25	.22	.19
Value of concentrate ration fed milk cows	Dol.	4.57	6.01	5.88	5.70	5.63	6.23	5.90	5.94	5.88
Farm cash receipts from dairy products	Mil. dol.	676	886	884	883	788	9,399	798	763	856
Production of factory products:										
Creamery butter	Mil. lb.	99.9	76.8	90.3	102.2	95.2	961.7	96.3	100.9	101.6
American cheese, whole milk	Mil. lb.	172.9	183.7	186.3	191.5	188.3	1,858.6	144.1	152.9	168.4
Cheese, other than American	Mil. lb.	93.4	92.9	90.6	90.5	89.5	1,071.8	93.9	90.5	95.8
Canned milk, unskimmed	Mil. lb.	118.7	93.3	101.1	108.6	102.7	1,035.2	75.0	77.9	96.6
Dry whole milk	Mil. lb.	9.3	7.6	8.1	8.4	7.0	67.7	3.4	3.4	7.4
Frozen products 2/	Mil. gal.	102.5	91.0	94.0	104.3	113.8	1,124.3	96.5	97.4	112.9
Creamed cottage cheese	Mil. lb.	88.3	76.2	74.9	77.5	70.9	855.5	77.0	78.9	81.3
Total whole milk equivalent 3/	Mil. lb.	6,001	5,325	5,695	6,187	6,130	60,821	5,289	5,510	6,006
Nonfat dry milk, human use	Mil. lb.	118.9	70.9	97.6	125.7	138.1	1,019.9	95.8	111.5	131.4
Wholesale prices:										
Butter, 92-score, Chicago, pound	Ct.	61.0	68.1	68.2	60.5	60.6	65.7	68.1	69.2	69.2
Cheese, American (40-pound blocks), f.o.b. Wisconsin assembling points, pound	Ct.	66.2	91.2	88.4	77.9	71.1	79.9	77.4	78.8	80.6
Evaporated milk, case (mid-point of range)	Dol.	9.38	11.48	11.73	11.93	11.93	11.76	12.08	12.08	12.08
Dry whole milk, pound	Ct.	53.7	69.9	72.3	67.2	63.0	65.9	63.8	64.1	65.0
Nonfat dry milk, pound	Ct.	44.6	62.2	67.0	62.1	57.5	58.6	60.7	60.3	60.2
Dairy products and ice cream index (BLS)	1967=100	126.5	151.2	154.1	146.9	142.9	146.4	148.6	148.9	149.6
Retail prices (BLS):										
Milk, fresh, grocery, half-gallon	Ct.	62.7	78.9	80.0	80.4	79.9	78.4	78.9	78.5	77.4
Evaporated milk, 14½-ounce can	Ct.	21.9	27.4	28.0	28.6	28.8	28.8	30.6	30.5	30.4
Cheese, American, processed, sliced, ½-pound package	Ct.	58.7	74.3	75.5	75.7	74.6	72.9	73.7	73.8	74.2
Butter, pound	Ct.	85.3	95.4	95.8	94.1	91.0	94.6	95.2	95.4	95.3
Ice cream, half-gallon	Ct.	88.6	101.1	102.9	105.2	107.4	107.6	123.0	122.0	121.5
Dairy products index	1967=100	123.2	151.5	153.7	154.6	153.8	151.9	155.4	154.8	153.6
All foods index	1967=100	137.9	159.1	158.6	159.7	160.3	161.7	171.3	171.2	171.8
Margarine, colored, pound	Ct.	34.0	51.3	53.3	53.8	54.7	57.4	69.7	67.4	63.4
Stocks, end of month:										
Creamery butter	Mil. lb.	139.4	58.1	79.0	97.4	117.5	---	60.5	66.5	85.1
Cheese, total 4/	Mil. lb.	330.6	438.9	489.5	533.4	570.8	---	447.6	441.0	445.7
Canned milk, unskimmed	Mil. lb.	84.5	62.2	76.7	110.1	127.8	---	54.3	60.3	84.2
Dry whole milk	Mil. lb.	5.1	8.3	10.2	11.0	13.1	---	6.0	5.3	7.6
Total whole milk equivalent 5/	Mil. lb.	6,181	5,497	6,477	7,354	8,174	---	5,640	5,708	6,203
Nonfat dry milk	Mil. lb.	81.5	56.7	86.1	148.0	196.1	---	335.4	328.8	379.7
Commercial disappearance:										
Creamery butter	Mil. lb.	75.0	69.0	68.2	78.4	70.7	929.9	89.9	84.0	78.6
Cheese, American	Mil. lb.	150.8	185.8	135.6	155.2	156.2	1,780.6	140.3	147.1	156.4
Cheese, other than American	Mil. lb.	103.8	103.8	109.2	99.6	95.7	1,269.5	106.3	100.8	103.5
Canned milk, unskimmed	Mil. lb.	78.6	87.8	81.8	70.4	81.3	999.5	79.9	70.2	70.8
Milk in all products	Mil. lb.	9,945	9,654	8,980	9,706	9,463	112,810	9,698	9,518	9,915
Nonfat dry milk	Mil. lb.	146.0	131.3	85.5	61.7	75.6	809.9	41.9	45.4	50.2
USDA net removals:										
Butter	Mil. lb.	9.1	1.1	---	8.3	13.0	32.7	13.7	14.6	21.8
Cheddar cheese	Mil. lb.	.7	.3	.3	.7	.9	60.3	13.1	10.9	10.6
Nonfat dry milk	Mil. lb.	4.5	2.3	.6	9.4	29.5	265.0	54.9	72.5	73.9
Evaporated milk	Mil. lb.	11.1	1.0	5.0	5.2	4.1	28.3	2.6	1.8	1.9
Total whole milk equivalent	Mil. lb.	220	35	14	190	292	1,346	418	412	559
Fluid sales, change from year earlier: 6/										
Whole milk	Pct.	-.8	-9.5	-8.1	-8.4	-6.7	-6.2	-1.5	+.2	
Cream and cream mixtures	Pct.	+2.8	-.9	+2.5	-.1	-3.0	+2.3	+9.7	+5.9	
Low-fat and skim milk	Pct.	+8.9	+5.5	+5.5	+5.3	+2.8	+6.6	+9.8	+13.1	
Total	Pct.	+2.3	-5.5	-4.5	-4.6	-4.0	-2.7	+2.0	+4.0	

1/ Seasonally adjusted price as percentage of parity price.
2/ Ice cream, ice milk, and sherbet.
3/ Includes manufactured products for which current monthly series are available.
4/ Natural, plus process American cheese held by CCC.
5/ Excludes cream and bulk condensed milk.
6/ Daily average sales in Federal order marketing areas.

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